

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple - Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940

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FEB 20 2007  
DIV. OF OIL, GAS & MINING

SMALL MINING OPERATIONS 2006 PROGRESS REPORT  
January 1, 2006 to December 31, 2006

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: 5270068
2. Mine Name: Ruby Red - Wheeler 3
3. Name of Operator/Permittee: Jim Kelsey

Note: If Operator's address, company representative or phone number have changed, please provide a replacement page to the Notice of Intention.

4. Mine Location: 30 miles west of Delta, UT
5. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material:

Gross Ore Mined 0 Tons, or 0 yd<sup>3</sup>

Waste Material Moved 0 Tons, or 0 yd<sup>3</sup>

New Disturbance 0 Acres during 2006

Area Reclaimed 0 Acres during 2006

Total Disturbed Area 2 Acres\*

Was the ore shipped off site? If not, where is the ore located? NONE

Where is the waste located? \_\_\_\_\_

\*Total life of mine disturbance to the end of 2006.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).

NONE

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Jim Kelsey

Title of Operator: owner

Signature of Operator: [Signature]

Date: 2-16-07